



GENERAL INFORMATION CITY OF FRISCO, TEXAS

COMPETITIVE SEALED PROPOSAL NO. 1103-038 **PROFESSIONAL AUDITING SERVICES**

~~~~~  
DOCUMENTS ARE DUE TO THE OFFICE OF THE DIRECTOR OF  
ADMINISTRATIVE SERVICES PRIOR TO:

***May 5, 2011 @ 2:00PM CST***  
***NO LATE PROPOSALS WILL BE ACCEPTED***

**ORIGINAL AND FIVE COPIES REQUIRED, PLUS ON A CD OR  
FLASH DRIVE**

~~~~~

**DOCUMENTS
MAY BE DELIVERED OR
MAILED TO:**
CITY OF FRISCO
TOM JOHNSTON, DIRECTOR
OF ADMINISTRATIVE
SERVICES
6101 Frisco Square Blvd.
FRISCO, TX 75034

**Deadline for Submittal of
Questions**

APRIL 11, 2011 5:00 PM CST
VIA EMAIL TO
PURCHASING@FRISCOTEXAS.GOV

FOR ADDITIONAL INFORMATION CONCERNING THIS PROPOSAL PLEASE CONTACT:

Tom Johnston C.P.M., CPPO
Director of Administrative Services
tjohnston@friscotexas.gov
972 292 5540

Daniel Ford, CPPB
Buyer
dford@friscotexas.gov
972 292 5542



CITY OF FRISCO
COMPETITIVE SEALED PROPOSAL NUMBER
1103-038

RFP for Professional Auditing Services

BIDDER MUST SUBMIT ORIGINAL PROPOSAL AND FIVE COPIES, PLUS A CD OR FLASH DRIVE, TO FACILITATE EVALUATION. IF COPIES AND A CD OR FLASH DRIVE ARE NOT SUBMITTED WITH THE ORIGINAL, YOUR PROPOSAL MAY BE CONSIDERED AS "NON-RESPONSIVE TO SPECIFICATIONS" AND MAY NOT BE CONSIDERED FOR FURTHER EVALUATION.

The City of Frisco (the "City") is accepting Competitive Sealed PROPOSALS for **Professional Auditing Services**.

It is the policy of the City to involve small businesses and qualified minority/woman owned businesses to the greatest extent possible in the procurement of goods, equipment, services, and construction projects.

Proposals must be received by May 5, 2011 at 2:00 PM CST BY THE DIRECTOR OF ADMINISTRATIVE SERVICES' OFFICE. NO PROPOSAL WILL BE ACCEPTED AFTER THAT DATE AND TIME. ALL PROPOSALS RECEIVED AFTER THIS DATE AND TIME WILL BE CONSIDERED UNRESPONSIVE. DEADLINE FOR QUESTIONS IS APRIL 11, 5:00 PM CST. ALL QUESTIONS SHOULD BE EMAILED TO PURCHASING@FRISCOTEXAS.GOV.

Proposals will be publicly opened and names of those who submitted will be read at the Frisco City Hall located at 6101 Frisco Square Blvd., Frisco, Texas 75034 on May 5, 2011 at 2:05 PM CST.

Write the competitive sealed proposal number, "1103-038", name of proposals, "RFP for Professional Auditing Services", and the name of your organization on the outer envelope.

Proposals are to be submitted in accordance with the attached City specifications and the "General Conditions of Bidding" attached hereto. Each bidder is required to fill in every blank; failure to do so may be used as a basis for rejection of a proposals. The City reserves the right to reject any or all proposals, to waive formalities, or to proceed otherwise when in the best interest of the City.

The term of the Professional Auditing Services contract is for a one year contract, with the option to renew for four additional one year terms.

SEE ATTACHED SPECIFICATIONS/PROPOSAL FORM

The successful bidder may be required to execute a written contract.

GENERAL CONDITIONS OF BIDDING

1. INSTRUCTIONS: These instructions apply to all bids/proposals and become a part of the terms and conditions of any bid/proposal submitted and any agreement entered into subsequent thereto, unless exception is taken in writing by bidder when submitting bid.

BIDDING

2. FORM: Bidders must submit an original and five (5) copies, plus a CD or flash drive of the sealed proposal, to the Director of Administrative Services prior to response due date/time. Failure to submit the additional copies may result in the bid being declared unresponsive to specification and may not be further evaluated.
3. PRICING: Price(s) quoted must be held firm for a minimum of ninety (90) days from the date of bid closing. In the case of estimated requirement contract bid, the prices must remain firm for the period as specified in the bid. "Discount from list" bids are not acceptable unless specifically requested in the bid.
4. QUANTITIES: In the case of estimated requirements contract bid, quantities appearing are estimated as realistically as possible. However, the City reserves the right to increase, decrease or delete any item or items of material to be furnished while continuing to pay the price quoted on this bid regardless of quantity. The successful bidder shall have no claim against the City for anticipated profits for the quantities called for, diminished, or deleted.
5. ERROR-QUANTITY: Bids must be submitted on units of quantity specified, extended, and show total. In the event of discrepancies in extension, the unit prices shall govern.
6. F.O.B./DAMAGE: Quotations shall be bid F.O.B. delivered to the designated Municipal Facility, Frisco, Texas and shall include all delivery and packaging costs. The City assumes no liability for goods delivered in damaged or unacceptable condition. The successful bidder shall handle all claims with carriers, and in case of damaged goods, shall ship replacement goods immediately upon notification by the City.
7. DELIVERY PROMISE-PENALTIES: Bids MUST show the number of calendar days required to place the material in the possession of the City. Do not quote shipping dates. When delivery delay can be foreseen, the bidder shall give prior written notice to the City, who shall have the right, in its sole discretion, to extend the delivery date if reasons for delay appear acceptable. Default in promised delivery, without acceptable reasons, or failure to meet specifications, authorizes the City to purchase the goods elsewhere, and charge any increase in cost and handling to the defaulting bidder.
8. BIDDER SHALL PROVIDE: With this bid response, the bidder shall provide all documentation required. Failure to provide this information may result in rejection of bid.

9. **ALTERING/WITHDRAWAL OF BIDS:** Bids cannot be altered or amended after submission deadline. The signer of the bid, guaranteeing authenticity, must initial any interlineations alteration, or erasure made before opening time. No bid may be withdrawn after opening time without first submitting a written reason to the Director of Administrative Services and obtaining the Director of Administrative Services' approval.
10. **PRESENTATION OF BIDS:** No oral, telegraphic, telephonic, e-mailed, or facsimile bids will be considered at this time. All bids must be submitted in a sealed envelope.
11. **CORRESPONDENCE:** This bid number must appear on ALL correspondence, inquiries, bid submittal documents, etc. pertaining to this Invitation for Bid.
12. **ADDENDA:** Any interpretations, corrections or changes to this Invitation for Bid and specifications will be made by addenda. Sole issuing authority of addenda shall be vested in the City of Frisco Purchasing Division. An attempt will be made to mail, fax, or e-mail any addenda to all who are known to have received a copy of this Invitation for Bid. Bidders shall acknowledge receipt of all addenda in the designated area on the bid document. It is the responsibility of the bidder to ensure receipt of all addenda and to include the changes in this bid document.
13. **LATE BIDS:** Bids received by the City after submission deadline shall be returned unopened and will be considered void and unacceptable. The City is not responsible for lateness of mail, carrier, etc.
14. **BID OPENINGS:** All bids submitted will be read at the City's regularly scheduled bid opening for the designated project. However the reading of a bid at bid opening should not be construed as a comment on the responsiveness of such bid or as any indication that the City accepts such bid as responsive.

The City will make a determination as to the responsiveness of bids submitted based upon compliance with all applicable laws, City of Frisco Purchasing Guidelines, and project documents, including but not limited to the project specifications and contract documents. The City will notify the successful bidder upon award of the contract and according to state law; all bids received will be available for inspection at that time, unless otherwise provided by law.

15. **BID TABULATION:** Bidders desiring a copy of the bid tabulation may request it by enclosing a self-addressed stamped envelope with bid. **BID RESULTS WILL NOT BE GIVEN BY TELEPHONE**. You can also download a copy on our website, www.friscotexas.gov. If you have any questions, please contact the City of Frisco, Purchasing Division, at 972-292-5542.
16. **PROTESTS:** All protests regarding the bid solicitation process must be submitted in writing to the City within five (5) working days following the opening of bids. This includes all protests relating to advertising of bid notices, deadlines, bid opening, and all other related procedures under the Local Government Code, as well as any protests relating to alleged improprieties or ambiguities in the specifications.

This limitation does not include protests relating to staff recommendations as to award of this bid. Protests relating to staff recommendations may be directed to the City Manager within in five (5) days of the staff recommendation memo. Unless otherwise provided by law, all staff recommendations will be made available for public review prior to consideration by the City Council.

17. **BID AWARD:** The City reserves the right to award a separate contract to separate bidders for each item/group or to award one contract for the entire bid. Unless stipulated in the attached bid specifications, the contract will be awarded to the lowest responsible bidder or to the bidder who provides the goods or services specified herein at the best value for the City in compliance with Texas Local Government Code, Section 252.043.
18. **CHANGE ORDERS:** No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the City.

PERFORMANCE

19. **MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE BIDDERS:** A prospective bidder must affirmatively demonstrate bidder's responsibility. A prospective bidder must meet the following requirements:
 - A. Have adequate financial resources or the ability to obtain such resources as required;
 - B. Be able to comply with the required or proposed delivery schedule;
 - C. Have a satisfactory record of performance;
 - D. Have a satisfactory record of integrity and ethics; and
 - E. Be otherwise qualified and eligible, as determined by the City, to receive an award.

The City may request representation and other information sufficient to determine bidder's ability to meet these minimum standards listed above.

20. **ASSIGNMENT:** The successful bidder shall not sell, assign, transfer or convey this contract in whole or in part, without the prior written consent of the City.
21. **SPECIFICATION-SAMPLES:** Any catalog, brand name, or manufacturer's reference used is considered to be descriptive, not restrictive, and is indicative of the type and quality the City desires to purchase. Bids on brands of like nature and quality may be considered unless specifically excluded. If bidding on other than reference, bid must certify article offered is equivalent to specifications and it is subject to approval by the using department and the Purchasing Division. Samples, if required, shall be furnished free of expense to the City. **SAMPLES SHOULD NOT BE ENCLOSED WITH BID UNLESS REQUESTED.**
22. **TESTING:** An agent so designated, by the City, without expense to the City, may perform testing at the request of the City or any participating entity.
23. **PACKAGING:** Unless otherwise indicated, items will be new, unused, and in first class condition in containers suitable for damage-free shipment and storage.

24. DELIVERY: Deliveries will be acceptable only during normal working hours at the designated City Municipal Facility. The place of delivery shall be set forth in the purchase order. The terms of this agreement are "no arrival, no sale".
25. TITLE AND RISK OF LOSS: The title and risk of loss of goods shall not pass to the City until the City actually receives and takes possession of the goods at the point(s) of delivery.
26. PATENT RIGHTS: The Bidder agrees to indemnify and hold the City harmless from any claim involving patent right infringement or copyrights on goods supplied.

PURCHASE ORDERS AND PAYMENT

27. PURCHASE ORDERS: A purchase order(s) shall be generated by the City Director of Administrative Services to the successful bidder. The purchase order number must appear on all itemized invoices and packing slips. The City will not be held responsible for any work orders placed and/or performed without a valid current purchase order number. Payment will be made for all services rendered and accepted by the contract administrator for which a valid invoice has been received.
28. BID SECURITY/BOND REQUIREMENTS: If required, bid security shall be submitted with bids. Any bid submitted without bid bond, or cashiers/certified check, shall be considered non-responsive and will not be considered for award. Performance and/or payment bonds, when required, shall be submitted to the City, prior to commencement of any work pursuant to the agreement provisions.
29. FUNDING: The City is a home-rule municipal corporation operated and funded on an October 1 to September 30 basis, accordingly, the City reserves the right to terminate, without liability to the City, any contract for which funding is not available.
30. TAXES: The City is exempt from Federal Manufacturer's Excise, and State sales taxes. TAX MUST NOT BE INCLUDED IN BID PRICING. Tax exemption certificates will be executed by the City and furnished upon request by the Finance Division.
31. PAYMENT TERMS: Payment terms are Net 30 unless otherwise specified by the City in this document. Prompt payment discounts may be used by the City in determining the lowest responsible bidder.
32. INVOICES: Invoices must be submitted by the successful bidder in duplicate to the City of Frisco, Finance Division, 6101 Frisco Square Blvd., Frisco, Texas 75034.

CONTRACT

33. CONTRACT PERIOD/RENEWAL OPTIONS: Term of the contract shall be for one year, with the option to renew for four (4) additional one year terms.
34. INTERLOCAL AGREEMENT: Successful bidder agrees to extend prices to all entities that have entered into or will enter into joint purchasing Interlocal Cooperation Agreements with the City. The City is a participating member of the Collin County

Governmental Purchasing Forum (the "Forum"). As such, the City has executed Interlocal Agreements, as permitted under Section 791.025 of the Texas Government Code with certain other governmental entities in Collin County authorizing participation in a cooperative purchasing program. The successful bidder may be asked to provide products/services, based upon bid price, to any other participant in the Forum.

35. **AUDIT:** The City reserves the right to audit the records and performance of successful bidder during the term of the contract and for three (3) years thereafter.
36. **SUCCESSFUL BIDDER SHALL:** Defend, indemnify and save harmless the City and all its officers, agents and employees and all entities, their officers, agents and employees who are participating in this contract from all suits, actions or other claims of any character, name and description brought for or on account of any injuries, including death, or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful bidder, or of any agent, officer, director, representative, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from bid award. Successful bidder shall pay any judgment with cost which may be obtained against the City and participating entities growing out of such injury or damages.
37. **TERMINATION FOR DEFAULT:** The City reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the successful bidder fails to: (1) meet delivery schedules; or (2) otherwise performs in accordance with these specifications. Breach of contract or default authorizes the City to, among other things, award to another bidder, purchase elsewhere and charge the full increase in cost and handling to the defaulting successful bidder.
38. **ACCEPTABILITY:** All articles enumerated in the bid shall be subject to inspection by a City officer or employee designated for the purpose. If found inferior to the quality called for, or not equal in value to the specifications, deficient in workmanship or otherwise, this fact shall be certified to the Director of Administrative Services who shall have the right to reject the whole or any part of the same. Work determined to be contrary to specifications must be replaced by the bidder and at its expense. All disputes concerning quality of supplies utilized in the performance of this bid will be determined solely by the City Director of Administrative Services or designated representative.
39. **REMEDIES:** The successful bidder and the City agree that each party has all rights, duties, and remedies available as stated in the Uniform Commercial Code and any other available remedy, whether in law or equity.
40. **VENUE:** This contract will be governed and construed according to the laws of the State of Texas. This contract is performable in Collin County, Texas.
41. **SILENCE OF SPECIFICATION:** The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

42. **NO PROHIBITED INTEREST:** The bidder acknowledges and represents they are aware of the laws and City Charter regarding conflicts of interest. The City Charter states in part that "No officer, whether elected or appointed, or any employee, whether full or part time, of the City shall have a substantial financial interest, direct or indirect, in any contract, other than employment contracts, with the City; or have a substantial financial interest, direct or indirect in the sale to the City of any land, materials, supplies or services....."
42. **FORCE MAJEURE:** If, by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this contract, then such party shall give notice and full particulars of such Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term Force Majeure as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, act of public enemy, orders of any kind of government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals, or other causes not reasonable within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable in the judgment of the party having the difficulty.
43. **DISCLOSURE OF CERTAIN RELATIONSHIPS**
Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Frisco not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. Chapter 176 and the questionnaire may be found at www.friscotexas.gov. By submitting a response to this request, vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

CITY OF FRISCO CONTRACTOR INSURANCE REQUIREMENTS

Contractors providing good, materials and services for the City of Frisco shall, during the term of the contract with the City or any renewal or extension thereof, provide and maintain the types and amounts of insurance set forth herein. All insurance and certificate(s) of insurance shall contain the following provisions:

1. Name the City, its officers, agents, representatives, and employees as additional insureds as to all applicable coverage with the exception of workers compensation insurance.
2. Provide for at least thirty (30) days prior written notice to the City for cancellation, non-renewal, or material change of the insurance.
3. Provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.

Insurance Company Qualification: All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service.

Certificate of insurance: A certificate of insurance evidencing the required insurance shall be submitted with the contractor's bid or response to proposal. If the contract is renewed or extended by the City a certificate of insurance shall also be provided to the City prior to the date the contract is renewed or extended.

Type of Contract

Special Events

Type and amount of Insurance

General Liability insurance for personal injury (including death) and property damage with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate, including coverage for advertising injury and products coverage

Statutory Workers compensation insurance as required by state law

(If the contractor serves alcoholic beverages)
Liquor Liability with a minimum of \$1 Million Dollars per Occurrence and \$2 Million Aggregate.

(If high risk or dangerous activities) Umbrella Coverage or Liability Excess Coverage of \$ 2 Million Dollars

(If automobile or limousine service is involved even if volunteers)
Automobile Liability with a minimum of \$1 Million Dollars combined single limit.

Public Works and Construction

General Liability insurance for personal injury (including death) and property damage with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate, including advertising injury, products coverage and (XCU) Explosion, collapse and underground (If high risk or dangerous activities) Umbrella Coverage or Excess Liability Coverage of \$2 Million Dollars Statutory Workers compensation insurance as required by state law

Professional Services

Professional Liability Insurance with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate.

(If size or scope of project warrant)
Umbrella Coverage or Excess Liability Coverage of \$2 Million Dollars

Supplemental Information

Texas Government Code Section 2252.002 Non-resident bidders. A governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

In order to make this determination, please answer the following questions:

1. Address and phone number of your principal place of business:

2. Name and address of principal place of business, and phone number of your company's majority owner:

3. Name and address of principal place of business, and phone number of your company's ultimate parent company:

MINORITY/WOMAN-OWNED BUSINESS PARTICIPATION

It is the policy of the City of Frisco to involve small businesses and qualified minority/women-owned businesses to the greatest extent possible in the procurement of goods, equipment, services and construction projects. To assist us in our record keeping, please list below the names of the minority or woman-owned firms you would be utilizing in this bid, and note the monetary involvement:

NAME OF FIRM	TELEPHONE #	\$ INVOLVEMENT

AFFIDAVIT OF NO PROHIBITED INTEREST
(Supplemental Information)

(I) (WE), the undersigned declare and affirm that no person or officer in (my) (our) firm, business, corporation, or board has or will have during the term of this contract a prohibited interest as that is defined in City Charter.

(I) (WE) further understand and acknowledge that the existence of a prohibited interest at any time during the term of this contract will render the contract voidable.

Name of Contractor: _____

Title of Officer: _____

Signature of Contractor: _____

Date: _____

ACKNOWLEDGMENT

STATE OF TEXAS *

*

COUNTY OF COLLIN *

BEFORE ME, the undersigned authority, on this day personally appeared, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of _____, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this the _____ day of _____,
2011

Signature of Notary Public in and for the State of Texas

STAMP

SUPPLEMENTAL INFORMATION

Please provide the following information for contract development.

Is your firm?

- | | | | | |
|------------------------|--------------------------|-----|--------------------------|----|
| 1. Sole Proprietorship | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO |
| 2. Partnership | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO |
| 3. Corporation | <input type="checkbox"/> | YES | <input type="checkbox"/> | NO |

If company is a sole proprietorship, list the owner's full legal name:

If company is a partnership, list the partner's full legal name(s):

If company is a corporation, list the full legal name as listed on the corporate charter:

Is this firm a minority, or woman-owned business enterprise?

☐ NO ☐ YES If yes, specify (☐) MBE (☐) WBE

Has this firm been certified as a minority/woman-owned business enterprise by any governmental agency? ☐ NO ☐ YES

If yes, specify governmental agency: _____

Date of certification: _____

For explanation please see Terms and Conditions Item #43

CONFLICT OF INTEREST QUESTIONNAIRE		FORM CIQ
For vendor or other person doing business with local governmental entity		
<p>This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.</p> <p>By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.</p> <p>A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.</p>		OFFICE USE ONLY
1	Name of person doing business with local governmental entity.	Date Received
2	<p><input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.</p> <p>(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)</p>	
3	Name each employee or contractor of the local governmental entity who makes recommendations to a local government officer of the governmental entity with respect to expenditures of money AND describe the affiliation or business relationship.	

4	<p>Name each local government officer who appoints or employs local government officers of the governmental entity for which this questionnaire is filed AND describe the affiliation or business relationship.</p>
---	--

Adopted 11/02/2005

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person doing business with local governmental entity

- 5 Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.**

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or other relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire? ☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity? ☐ Yes ☐ No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more? ☐ Yes ☐ No

D. Describe each affiliation or business relationship.

6

Signature of person doing business with the governmental entity

Date

Adopted 11/02/2005

CITY OF FRISCO

1103-038

REQUEST FOR PROPOSALS

PROFESSIONAL AUDITING SERVICES

**PROPOSALS DUE BY
Thursday, May 5th, 2011
2:00 PM CST**

Attn: Tom Johnston, Director of Administrative Services
City Hall 1st Floor
6101 Frisco Square
Frisco, Texas 75034

City of Frisco, Texas

Request for Proposals for Professional Auditing Services

Table of Contents

1.0 General Information

- 1.1 Purpose
- 1.2 Inquiries from Proposers
- 1.3 Costs Incurred in Responding
- 1.4 Proprietary Information
- 1.5 Response Instructions
- 1.6 Proposal Acceptance Period
- 1.7 Competitive Selection/Evaluation Factors
- 1.8 Review Committee/Evaluation Process
- 1.9 Additional Information
- 1.10 Negotiations
- 1.11 Release of Information
- 1.12 Contract Incorporation
- 1.13 Rights and Remedies
- 1.14 Contract Payment/Compliance Statement
- 1.15 Progress Reports
- 1.16 Publicity

2.0 Nature of Services Required

- 2.1 General
- 2.2 Scope of Work to Be Performed
- 2.3 Auditing Standards to Be Followed
- 2.4 Reports to Be Issued
- 2.5 Preparation of CAFR
- 2.6 Bond Issuances
- 2.7 Special Issues

3.0 Description of the Entity

- 3.1 General
- 3.2 Organization of the City's Finance Division
- 3.3 Accounting Records
- 3.4 The Accounting System

4.0 Other Information and Requirements

- 4.1 Prior Audit
- 4.2 Work Area
- 4.3 Statements and Schedules to Be Prepared by Client

- 4.4 Audit Work Timing
- 4.5 Contractual Agreements
- 4.6 Working Papers

5.0 Proposal Format

- 5.1 Required Sections
- 5.2 Cover Letter
- 5.3 Executive Summary
- 5.4 Table of Contents
- 5.5 Firm Background, Principal Officers, and Prior Experience
- 5.6 Scope and Audit Approach
- 5.7 Proposed Schedule
- 5.8 Understanding of Work to Be performed by the City Finance Division
- 5.9 Other References
- 5.10 Additional Data and Other Information
- 5.11 Concluding Remarks
- 5.12 Cost Proposal

6.0 Listing of Timelines and Dates

Appendix

- A. Findings from recent external audit
- B. Organizational Chart
- C. Proposer Guarantees
- D. Proposer Warranties
- E. Cost Proposal - Format of Schedule of Professional Fees & Expenses

1.0 General Information

1.1 Purpose

The City of Frisco, Texas (hereinafter referred to as the City) is requesting proposals from qualified and experienced public accounting firms whose principal officers are independent certified public accountants to audit the financial statements for the fiscal year ending September 30, 2011, with the option of auditing the financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The term of the contract will be one year, renewable for four additional one year terms, subject to annual review and recommendation, the satisfactory negotiation of terms, the concurrence of the City of Frisco and the annual availability of an appropriation.

Proposals submitted will be evaluated by City Staff and presented to the Audit & Finance Committee of the City Council. City Council will make the final determination of contract award.

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

It is anticipated that the selection of a firm will be completed by June 21, 2011. Following the notification of the selected firm, it is expected a contract will be executed between both parties by June 24, 2011.

1.2 Inquiries from Proposers

Questions related to this RFP must be submitted in writing no later than April 11, 2011, at 5:00 PM CST. Written questions by e-mail should be directed as follows:

purchasing@friscotexas.gov

City of Frisco

Purchasing

6101 Frisco Square Blvd

Frisco, TX 75034

Proposals should be returned in sufficient time so as to be received on or before 2:00 PM CST, Thursday, May 5, 2011. It is the proposer's responsibility to ensure that they have received any and all addenda related to the proposal. It shall be the sole responsibility of

the respondent to insure that their proposal is received by the Director of Administrative Services within the time limit indicated. Late proposals will not be considered.

1.3 Costs Incurred in Responding

All costs directly or indirectly related to preparation of a response to this RFP, any oral presentations required in supplementing and/or clarifying a proposal, and/or reasonable demonstrations which may be, at its discretion, required by the City shall be the sole responsibility of and shall be borne completely by the proposer.

1.4 Proprietary Information

The City of Frisco considers all information contained within the packet to be subject to the Open Records Act and nonproprietary in nature.

1.5 Response Instructions

An original and five copies of the proposal, as well as an electronic copy on a CD or flash drive, should be returned in a sealed envelope bearing the name and address of the respondent and the Request for Proposal Number. The cost proposal sheet should be submitted in a separate envelope attached to the proposal and bearing the RFP number. Your proposal may be mailed or hand delivered to:

City of Frisco
Attn: Tom Johnston, Director of Administrative Services
6101 Frisco Square Blvd
Frisco, Texas 75034

Late proposals will not be considered.

1.6 Proposal Acceptance Period

All proposals must include a statement that they are valid for a minimum period of 90 days subsequent to the RFP closing date.

1.7 Competitive Selection/Evaluation Factors

This procurement will comply with applicable City of Frisco policy. The successful proposer will be selected on a rational basis, with both qualifications and price considered in the selection process. Evaluation factors outlined below shall be applied to all eligible, responsive proposers in comparing proposals and selecting the successful offeror. Award of a contract may be made without discussion with proposer after proposals are received. Proposals should therefore be submitted on the most favorable terms.

Each proposal will be evaluated with the criteria listed below. These criteria are listed in the order of importance to the City:

1. Demonstrated experience, qualifications, and professional activities of the audit team and the firm, including technical expertise of supervisory staff available to perform "on-site" work.
2. Total evaluated cost.

3. Responsiveness of the proposal in clearly stating an understanding of the work to be performed; responsiveness to terms and conditions, including scheduling; completeness and thoroughness of the technical data and documentation.

Oral interviews may be arranged at the discretion of the evaluation team to assist in making the final selection.

Cost will not be the primary factor in the selection of an audit firm.

1.8 Review Committee/Evaluation Process

The response to this RFP will be reviewed and evaluated by City staff from the Financial Services Department.

Staff will evaluate the proposals using a matrix based on the factors described above. A preliminary evaluation will be done independently by each participant. Participants will then meet to discuss their evaluations; after discussion, a final evaluation will be done by each participant and the total points awarded to each proposer will be tallied. The staff will present this evaluation to the Audit & Finance Committee of the City Council for review.

The final selection will be made by the Frisco City Council with advice and recommendation from the Audit & Finance Committee and City staff.

1.9 Additional Information

The City reserves the right to require additional technical and pricing information during the evaluation period.

Each proposal must designate a person(s) who will be responsible for answering technical and contractual questions.

1.10 Negotiations

The City reserves the right to negotiate all elements of a proposal to ensure that the best possible consideration be afforded to all concerned.

The City reserves the right to reject any or all proposals and to resolicit for proposals in such an event.

1.11 Release of Information

Submission of information by the proposer shall not be released by the City during the proposal evaluation process or prior to contract award.

1.12 Contract Incorporation

Proposers should be aware that the contents of the successful proposal will become a part of any subsequent contractual document that may arise from this RFP. Failure of a proposer to accept this obligation may result in the cancellation of any award.

1.13 Rights and Remedies

The rights and remedies of the City provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or under any subsequent contract.

1.14 Contract Payment/Compliance Statement

The contract or engagement letter shall be prepared by the auditors, under the direction of the City, and shall incorporate all applicable provisions. Payment for all services other than those described as "special projects" will be made based on an all-inclusive, not-to-exceed fee estimate, with progress payments as mutually determined to be appropriate. These payments shall be based upon completion of phases of the work.

1.16 Publicity

Any publicity, news releases, and/or advertising pertaining to this RFP and/or the awarding of any contract relating to the RFP may not be made without prior written approval of the City.

2.0 Nature of Services Required

2.1 General

The City of Frisco is requesting proposals from qualified public accounting firms to audit its financial statements for the fiscal year ending September 30, 2011, with the option to audit the City's financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

2.2 Scope of Work to Be Performed

The City of Frisco desires the auditor to express an opinion on the fair presentation of its basic financial statement and schedules in conformity with generally accepted accounting principles. This includes the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Frisco Texas. The auditor is not required to audit the supporting schedules contained in the CAFR. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The City of Frisco desires the auditor to audit the schedule of expenditures of federal awards if required.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The scope of the City's annual audit, or of any other work for which the proposer is engaged, can only be broadened with the express written consent of the City. The City

will have the right to negotiate fees for work related to broadening the scope of any work for which the proposer is engaged.

2.3 Auditing Standards to Be Followed

To meet the requirements of this RFP, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standard*, the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments*.

2.4 Reports to Be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over compliance applicable to each major federal program.
3. A report on compliance and internal control structure over financial reporting based on an audit of the financial statements.
4. A management letter that describes any reportable conditions.

In the required reports on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The report on compliance shall include all instances of noncompliance.

In addition to the reports discussed above that are currently required by State and Federal grantors and by regulatory bodies such as the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the Government Finance Officers Association of the United States and Canada, and others, the auditor shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the following parties:

City Manager
Director of Financial Services

Auditors shall assure themselves that the City of Frisco's Audit & Finance Committee is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

2.5 Preparation of CAFR

All financial statements and notes to the financial statements shall be prepared by the City. A listing of dates and the year end close schedule has been provided as Section 6 of this proposal. The City plans to send the CAFR to the Government Finance Officers Association for review in the Certificate of Achievement for Excellence in Financial Reporting Program. It is not anticipated that the auditor will be required to provide special assistance to the City to meet the requirements of the program other than on-going support and assistance regarding new accounting standards and statement implementation.

2.6 Bond Issuances

The City of Frisco currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".

2.7 Special Issues

The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the CAFR, but are to be issued separately. This Schedule and the Notes will be prepared by the auditors data entry department and printed by the auditor.

A listing of findings from the City's most recent financial statement audit is attached to this document in the Appendix. We had no findings for the September 30, 2010 audit.

Proposers may be requested to provide other types of services, collectively referred to as "special projects." Examples of such services include additional audits or reviews and cost studies.

The successful proposer shall submit progress reports to or hold periodic meetings with the Director of Financial Services, Assistant Finance Director or designee as agreed upon by the City and the proposer. The information provided in these reports should be sufficiently detailed to provide assurance that the audit is on schedule, noting achievements and problems that have potential effect on that schedule.

3.0 Description of the Entity

3.1 General

The City of Frisco, Texas is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, morals, comfort, safety and convenience of the City and its inhabitants. Frisco has experienced drastic growth over the last two decades.

The reporting entity for the City of Frisco includes all funds reported in the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2010, as shown in the CAFR Table of Contents. The City's CAFR for fiscal year 2010 is available on the City's web site or for inspection in the City Secretary's Office. The link to the web site is provided below:

<http://friscotexas.gov/Departments/Accounting/documents>

The City's 2010 CAFR will give the reader additional information on the City's reporting entity, fund structure, accounting and budgeting policies, and component units.

3.2 Organization of the City's Finance Division

The City's accounting function falls within the Finance Department. The Director of Financial Services, who reports to an Assistant City Manager, is responsible for all financial accounting and reporting activities of the City. The Assistant Director of Finance, who reports to the Director of Financial Services, has overall responsibility for the Finance Division. One Financial Services Manager supervises a Senior Accountant and two staff accountants. The professional staff members prepare reconciliations, analysis, grant reports, capital improvement budgets, manage the City's cash and debt programs, and prepare the City's CAFR each year. Three Accounts Payable Clerks and one Payroll Specialist report to the Accounting Manager. The Accounts Payable Clerks are responsible for accounts payable, which includes data input, disbursements, and file maintenance functions. The Payroll Specialist is responsible for payroll data input, disbursements, and file maintenance.

We do not currently have an in-house internal audit department, but instead contract with a local firm to conduct internal reviews for control. This firm also performs a data analysis of our vendor master and employee master files on an annual basis.

3.3 Accounting Records

The accounting records of the City of Frisco are maintained by the Finance Division, with offices located at 6101 Frisco Square Blvd, 4th floor, Frisco, TX.

3.4 The Accounting System

General Description

The City of Frisco's Fund Accounting System, a software package from Tyler MUNIS, was implemented on October 1, 2007. MUNIS provides for fund accounting, encumbrance accounting, budgetary development and control, accounts payable processing, human resources and payroll.

The software is updated annually and includes periodic updates as required for patches or new functionality.

The City of Frisco has several subsystems which require interfaces on a periodic basis through general journal entry or import. These include:

- Utility Customer Billing - Incode
- Municipal Court - UDS
- Trackit Development Fees
- CLASS Recreation Center Fees

Procedures

The Finance Division incorporates the MUNIS training materials as its policy and procedure for processing transactions. Training on MUNIS is offered on an as needed basis, and the training materials are therefore updated frequently by the City.

City Information Technology (IT) Staff is also available to assist with extractions or downloads from the database for analysis and review. Any coordination with the City IT Staff would be handled through the Assistant Finance Director.

4.0 Other Information and Requirements

4.1 Prior Audit

Interested proposers who wish to review prior years' audit reports and management letters should contact Anita Cothran, Director of Financial Services at (972) 292-5510, or John DeBurro, Manager, Weaver at (972) 448-6970. The City will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposal.

4.2 Work Area

The City will provide the auditor with reasonable workspace, desks and chairs in close proximity to the accounting records and staff, as well as access to photocopy machines, wireless connectivity, telephone lines and a fax machine.

4.3 Statements and Schedules to be Prepared by Client

The staff of the City of Frisco will prepare any statements and schedules required and requested by the auditors. The PBC Listing will be provided to the Assistant Finance Director, or designee, by the end of interim field work.

4.4 Audit Work Timing

Interim field work prior to closing accounts must occur and be concluded prior to October 15 of each year. Post-closing work may commence on or about January 1. Completion of fieldwork should be accomplished no later than February 1. Fieldwork will be considered complete when all adjustments have been made by the auditor and adjusted trial balances are returned to Finance staff.

Date for release of the report for printing shall be no later than thirty days after the end of fieldwork. At that same time a draft management letter and draft auditor reports should be delivered to City Finance staff.

Each year, the auditors will meet with City Finance staff to determine the audit schedule for the year and any special considerations in timing. Dates may be adjusted each year to allow city staff appropriate time to prepare all of the required statements and schedules, in addition to the CAFR.

4.5 Contractual Agreements

The contract to be awarded shall be for the provision of services as requested herein at the estimated fees submitted in the proposal for the first year, and, if extended, the subsequent years of the contract. The contract can be in the form of the engagement letter. This is considered an all-inclusive, not-to-exceed fee estimate. The City shall agree to make interim payments of the annual fee based on percentage of work performed, with proper documentation of status of work completed attached.

4.6 Working Papers

The firm selected shall maintain all working papers for a period of a least five years after the fiscal year end, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor shall make available all original working papers for examination by authorized representatives of Federal and State agencies, the City of Frisco, and any other entity to which access has been granted in writing by the City. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

5.0 Proposal Format

5.1 Required Sections

Proposals must be submitted containing the following sections in the order indicated:

- Cover letter
- Executive Summary
- Table of Contents
- Firm Background, Principal Officers, and Prior Experience
- Scope and Audit Approach
- Proposed Schedule
- Understanding of Work to be performed by City Staff
- Other References
- Additional Data and Other Information
- Concluding Remarks
- Cost Proposal (***to be included in a separate envelope***)

Proposals not submitted in this order, may be rejected.

5.2 Cover Letter

This section should contain the name of the proposing firm, the address of the proposing office, and contact persons authorized to answer technical, price, and/or contract

questions together with their telephone number and mailing address. The cover letter must also be signed by a partner authorized to bind the company.

5.3 Executive Summary

Prefacing the proposal, an executive summary of five pages or less should be provided which gives in brief; concise terms a summation of the proposal.

5.4 Table of Contents

The Table of Contents shall include an index of the proposal contents and attachments.

5.5 Firm Background, Principal Officers and Prior Experience

Firm Qualifications and Experience

This section should state:

- a. The staff size of the firm,
- b. The size of the firm's governmental audit staff,
- c. The location of the office from which the work on this engagement is to be performed,
- d. The number and nature of the professional staff to be employed in this engagement on a full-time basis, and
- e. The number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified. In addition, joint ventures or consortiums must identify a firm to serve as the principal auditor, and the principal auditor must accept responsibility for resolving all operational and contractual issues with the City.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who will be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Texas. The firm also should provide information on the governmental auditing experience of each person, including information on relevant continuing professional education for the past three years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, and experience and training (including relevant continuing professional education) of the staff to be assigned specifically to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the City of Frisco's commitment to affirmative action.

Engagement partners, managers, other supervisory staff, and specialists assigned to the City's account in a proposal may be removed from the City's account if those persons leave the firm, are promoted, or are assigned to another office. These persons may also be changed for other reasons but only with the express prior written permission of the City of Frisco. However, in either case, the City retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer, provided that replacements have substantially the same or better qualifications or experience.

Prior Engagements with the City of Frisco

The firm should list separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Frisco by type of engagement, (i.e. audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

Other

Additional information should be included to describe the office's capabilities to audit computerized systems. This section should also include a discussion of your previous experience with the Certificate of Achievement Program of the GFOA.

5.6 Scope and Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Sections 2.1 and 2.2 of this RFP. In developing the work plan, reference should be made to such sources of information as the City of Frisco's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- d. Sample sizes and the extent to which statistical sampling is to be used in the engagement.
- e. Extent of the use of EDP software in the engagement.
- f. Type and extent of analytical procedures to be used in the engagement.
- g. Approach to be taken to gain and document an understanding of the City of Frisco's internal control structure.
- h. Approach to be taken in determining laws and regulations that will be subject to audit test work.

- i. Approach to be taken in drawing audit samples for purposes of tests of compliance.

The proposal should also identify in this section any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Frisco.

The work plan submitted should include separate time estimates for the financial audit and single audit work. In addition, a statement of the firm's understanding of bond issuance related work should be made.

A separate statement of the firm's approach to and understanding of the provision of technical assistance and advice concerning accounting and auditing issues that may arise during the course of the audit should be included. In addition, a discussion of the firm's approach to the level and amount of Finance Division staff support necessary to complete the work as outlined in the proposal should be included.

5.7 Proposed Schedule

Comment on the firm's ability to meet the timelines indicated in the RFP and present a schedule of when information to be provided by the City should be available. Provide any recommended changes to the schedule that you think are required to enhance the timelines and quality of the engagement.

5.8 Understanding of Work to Be Performed by the City Finance Division

Staff time can be provided by the City's Finance Division. Clearly describe the work the firm proposes that the Staff perform. Include information on specific portions of the audit and scope of work. Estimate audit hours needed for each segment of work. Indicate the date work will commence and target dates for completion.

Describe the firm's approach toward reliance on the work performed by the City staff. Discuss work paper review procedures.

5.9 Other References

Describe recent local and regional office auditing experience similar to the type of audit requested and give the name and telephone numbers of client officials responsible for three of the audits listed.

5.10 Additional Data and Other Information

Since data not specifically requested must not be included in the foregoing proposal sections, give any additional information considered essential to the proposal in this section. If there is no additional information to present, state in this section, "There is no additional information we wish to present."

5.11 Concluding Remarks

This section shall contain any final remarks or elaboration which the proposer believes is important to a clear understanding of the proposed services and/or the proposer's capabilities.

5.12 Cost Proposal

Payment for all services other than those described as "special projects" will be made based on an all-inclusive, not-to-exceed fee estimate, with progress payments as mutually determined to be appropriate. The contract will be a one-year contract with the option to renew for each subsequent year, for up to four (4) additional years.

The compensation proposal should be submitted to the City in a separate sealed envelope bearing the RFP number. (See Appendix F) As provided for by State Board of Accountancy rules, the contract award will not necessarily be made to the firm that provides the lowest cost proposal but rather to the firm that submits the most responsive proposal meeting the City's requirements.

On the cost proposal form, the firm should include the following information:

- a. Total estimated hours and all-inclusive, not-to-exceed cost estimate for the financial and single audit (combined); break down total estimated hours by staff level (e.g. partner, manager, senior) and show billing rates for each level;
- b. Total all-inclusive, not-to-exceed cost estimate totals for the four subsequent years.

In addition, the firm should include proposed billing rates by staff level for any special projects or special services that the proposer may be requested to perform during the initial year of the contract. The special project billing rates may be adjusted annually for inflation but will be compared to the Consumer Price Index.

6. 0 Listing of Timelines and Dates

Notice: All dates, except for the advertising, submission and opening deadlines, are subject to change as deemed necessary to meet the needs and requirements of the City of Frisco.

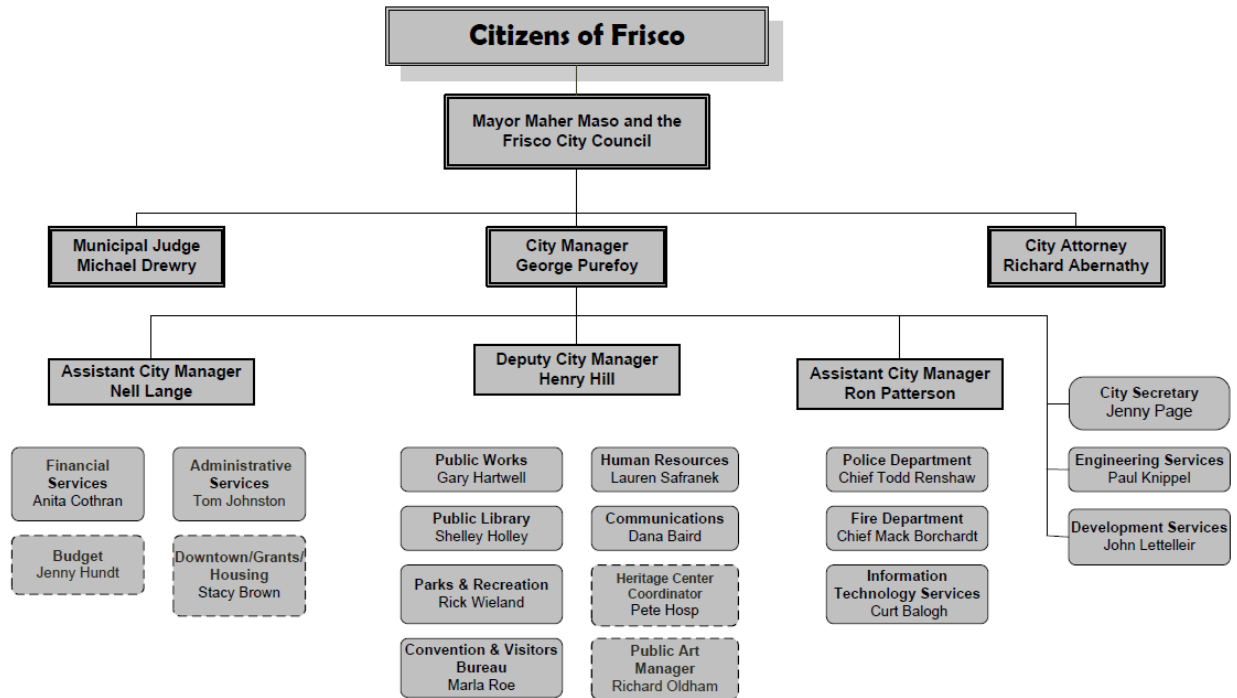
<u>Date or Timeframe</u>	<u>Activity or Deadline</u>
March 25	RFP advertised.
April 11	5:00 p.m. deadline for submission of clarification/questions
April 14	Question Addendum will be distributed.
May 5	2:00 PM CST deadline for submission of proposals.
May 5-May 31	Evaluation of proposals. Interviews with firms if necessary.
Early June	Finance & Audit Committee meeting.
Late June	Selection of firm and contract award.
August	Preliminary planning meetings and audit plan development.
Mid August	Interim financials for the nine months ended June 30, 2011 available for review.
September 30	Fiscal year end.
October 15 through 31	Preparation for close, including year end accruals, reconciliations.
November 9	Soft-close of fiscal year.
November 15	Year-end system-generated reports available. Staff to prepare trial balances, work papers and prepared by client schedules.
January 1	Auditors may begin year-end field work. Staff work papers and schedules will be given to the auditors on the first day of field work.
January 1	Draft CAFR to auditors on first day of field work.
January 31	Fieldwork should be virtually complete.
January 31	Draft CAFR reviewed prior to printing.
February 15	Draft CAFR presented to Council Audit & Finance Committee.
February 15	CAFR finalized. Draft management letter and single audit reports due. Draft CAFR forwarded to Council by second February meeting.
1 st Tuesday in March	Final Audit report presented to the City Council.
March 15	CAFR's distributed and published on city web site.
March 31	CAFR submitted to GFOA award program.

APPENDIX A

FINDINGS FROM RECENT EXTERNAL AUDITS

For the September 30, 2010 financial audit, the City had no findings.

APPENDIX B
ORGANIZATIONAL CHART



City of Frisco
Departmental Organization
Chart
June 2010

APPENDIX C

PROPOSER GUARANTEES

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section 2.0, Nature of Services Required.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX D

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Texas laws with respect to foreign (non-state of Texas) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Frisco.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX E

COST PROPOSAL

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2011 FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Rates</u>	<u>Quoted Hourly Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____
Out of pocket expenses:				_____
Meals and Lodging:				_____
Transportation:				_____
Other (specify):				_____
Total all-inclusive maximum price for 2011 audit			\$	_____
Total all inclusive maximum price for 2012 audit			\$	_____
Total all inclusive maximum price for 2013 audit			\$	_____
Total all inclusive maximum price for 2014 audit			\$	_____
Total all inclusive maximum price for 2015 audit			\$	_____

APPENDIX E

COST PROPOSAL

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 2011 FINANCIAL STATEMENTS
COMBINING SCHEDULE – SPECIAL PROJECTS

<u>Nature of Service to Be Provide</u>	<u>Schedule</u>	<u>Total Price</u>
Single Audit		
Internal Control Audit		
Operational Review Audit		
Bond Issuance Expense Reports		

BIDDER REMINDER LIST:
REQUESTED DOCUMENTATION INCLUDED?
ORIGINAL AND FIVE (5) COPIES INCLUDED?
CD OR FLASH DRIVE INCLUDED?
COMPLETED COMPANY PROFILE/REFERENCES?
COMPLETED SIGNATURE?



CITY OF FRISCO PURCHASING DIVISION

SIGNATURE FORM

1103-038

Professional Auditing Services

The undersigned certifies that the bid prices contained in this bid have been carefully reviewed and are submitted as correct and final. Bidder further certifies and agrees to furnish any and/or all product/service upon which prices are extended at the price offered, and upon the conditions in the specifications of the Invitation for Bid.

I hereby certify that the foregoing bid has not been prepared in collusion with any other bidder or other person or persons engaged in the same line of business prior to the official opening of this bid. Further, I certify that the bidder is not now, nor has been for the past six (6) months, directly or indirectly concerned in any pool or agreement or combination to control the price of product/service bid on, or to influence any person or persons to bid or not to bid thereon."

Name of Bidder: _____

Address of Bidder: _____

Telephone Number: _____ Fax: _____

E-mail address: _____

By: _____ (print name) Cash Discount Terms: _____

Title: _____ Federal ID #/SSN #: _____

Signature: _____

Acknowledgement of Addenda: #1 _____ #2 _____ #3 _____ #4 _____ #5 _____